

HOW A CUSTOMERS FIRST IMPRESSION IMPACTS
SALES EFFECTIVENESS
IN AN AUTOMOTIVE RETAIL FACILITY
WITH CORRELATION TO THE
PRUCHASING DECISION

By:

Joshua James Probst

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Kat Lui, Ph.D.
Research Advisor

The Graduate College
University of Wisconsin-Stout
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The Graduate College
University of Wisconsin-Stout
Menomonie, WI 54751

ABSTRACT

Probst	Joshua	J.
(Last Name)	(First)	(Initial)

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Everyday potential customers enter automotive retail facilities with predetermined intentions, expectations, and needs (Bearse, 2001). The customer intends to shop for a vehicle and expects to receive a certain level of service from automotive retail facilities. A customer's first impression greatly impacts the effectiveness of the initial sales encounter and the overall decision to purchase (Albright, 1988; DeCormier, 1998; Evans, 2000; Jones, 1990 Snyder, 1978). Automotive retailers and sales consultants need to understand that first impression formation determines what motivates or de-motivates the customers purchasing decision (Bearse, 2001; Henthorne, 1992). With an understanding of impression formation, automotive retailers can better comprehend customers' purchasing motivation and thereby increase sales.

The purpose of this study was to collect data regarding customers' first impressions of the sales consultant. Customers were asked to fill out a survey to determine their first impression of the sales consultant. The survey incorporated sixteen descriptive adjectives with 4 source components: competence and trust, which deal with risk reduction and power and liability which relate to social compliance (Henthorne, 1992; LaTour, 1989; Wilding, 1968). See Appendix A. The survey was administered directly after the sales consultant/customer interaction to prevent narrow, one-dimensional, and delayed insights that a typical mail-in survey would create. In addition, by gathering the data immediately after the experience assured that the data was timely, accurate, and that it truly represented the customers' first impression of the sales consultant. The data gathered was computed and analyzed in order to explain how the customer perceived the sales consultant, and whether or not the first impression impacted the overall purchasing decision of the customer.

First impressions are lasting impressions. The customers' first impression of a sales consultant and organization will set the foundation upon which the business relationship will grow (Michael, 1995). Sales consultants, automotive retailers, and sales trainers must understand the impression formation process in a retail environment in order to manage, train for skills, and create that right impression.

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CHAPTER I

INTRODUCTION

Chapter One - Introduction

Background

Everyday potential customers enter automotive retail facilities with predetermined intentions, expectations, and needs (Bearse, 2001). The customer intends to shop for a vehicle and expects to receive a certain level of service from automotive retail facilities. The paradigm of hard-dealing, tough negotiating and zero customer service is over. Instead, the paradigm has begun to shift toward a customer-centered mentality. In Saturn facilities, this is called a “No Hassle, No Hagggle,” one pricing retail process. Saturn Corporation focuses on re-creating the roles of consumer and seller. This, in turn, creates a sense of community and affiliation to the Saturn organization and products (Mills, 2001). Saturn has realized that customers are looking for a respectful, honest approach to selling vehicles, and Saturn is willing to create that retail environment.

In 2002, J. D. Powers and Associates found that Saturn ranked the highest in the Customer Service Index Study. Saturn achieved higher scores than all other luxury brands (Infinite, Lexus, Cadillac) and for the first time Saturn, a non-luxury brand was ranked number one. The 2002 index results demonstrate that Saturn’s ideologies and values not only meet the customer’s needs and expectations but work to exceed them.

When a customer originally decides to shop at a Saturn facility, his/her mind is often filled with expectations based on word of mouth, marketing, and advertising campaigns. The expectations which the customer formulates cause Saturn team members to search for ways to increase sales and customer satisfaction. One key strategy

employed by Saturn to increase sales is to turn browsing customers into buying customers. This particular strategy acknowledges that the most common and costly flaws occur in the sales process. Therefore, solutions to motivate the customer to purchase must be created (Bearse, 2001). First impressions have been proven to affect interpersonal relationships and business encounters (Albright, 1988; DeCormier, 1998; Evans, 2000; Jones, 1990; Snyder, 1978). Therefore, this research will examine the initial meeting and impression of the customer with the goal of identifying common or costly flaws and find solutions to customer motivation. The primary purpose of this study is to identify factors specific to a positive first impression which can then be used to create a more effective and efficient sales process.

Imagine if vehicle sales could increase by 25% a month just by improving or making the sales consultants cognizant of their customers' first impressions. When the customer first pulls onto the lot and meets the sales consultant, the first impression has begun. Did the sales consultant give the customer a warm, prompt greeting with a smile, appearing competent and trustworthy? DeCormier (1998) has found that a handshake, professional appearance, eye contact, and establishing rapport are all part of a good sales introduction. Impression management can be defined as individual's active thoughts and controls of what impression is emitted with the goal of framing that that perception (Fisk, 1996; Schlenker, 1980). This research will uncover the customers' first impressions of the sales consultant, resulting in the sales consultants' future abilities to frame and manage their impressions. Research in the area of 'first impressions' carries great importance for Saturn of Appleton, which continuously seeks to improve as a business by learning how first impressions affect sales effectiveness.

Statement of Problem

Everyday, sales consultants greet first-time customers as they visit the automotive retail facility. The initial meeting marks the beginning of a buyer/seller relationship.

This research attempts to answer how a customer's first impression impacts sales effectiveness in an automotive retail facility with correlation to the purchasing decision.

Purpose of the Study

A customer's first impression greatly impacts the effectiveness of the initial sales encounter and the overall decision to purchase (Albright, 1988; DeCormier, 1998; Evans, 2000; Jones, 1990; Snyder, 1978). Automotive retailers and sales consultants need to understand that first impression formation determines what motivates or de-motivates the customer's purchasing decision (Bearse, 2001; Henthorne, 1992). With an understanding of impression formation, automotive retailers can better comprehend customer motivation factors, which ideally results in increased sales.

Research Objectives

The purpose of this study is to collect data regarding customers' first impressions of the sales consultant. Customers' experiences will be collected in the retail facility directly after the initial sales consultant/customer interaction. Customers will be asked to fill out a survey to determine their first impression formation experiences. The survey will be conducted directly after the interaction to prevent narrow, one-dimensional, and delayed insights that a typical mail-in survey creates. In addition, by capturing the data immediately after the experience, the data will be timely, accurate, and truly represent the customer's first impression. The data gathered will be computed and analyzed leading to

conclusions regarding how the potential buyer perceived the sales consultant and whether or not the first impression impacts the overall purchasing decision.

Significance of Study

Today, we live in a fast paced, technology-based society. Face-to-face encounters are becoming less frequent due to gasoline credit card purchases, automatic teller machines, e-mail, computer recorded messages and the vast amount of information available on the Internet. When a customer makes the decision to visit an automotive retail facility, the sales consultant has only one chance to make that “right” first impression (Michael, 1995). A successful first impression will create trust and establish a level “playing field” between the customer and the sales consultant (DeCormier, 1998). If the organization and sales consultant create a negative impression, the probability of the customer making a purchase is significantly reduced. First impressions are lasting impressions; the customer’s first impression of a sales consultant and organization will set the foundation upon which the business relationship will grow (Michael, 1995). Sales consultants, automotive retailers, and sales trainers must understand this initial impression formation process in a retail environment in order to manage, train for skills, and create that right impression.

Limitations of Research

- 1) This research can not take into consideration the sales consultant’s product knowledge and the strengths or shortcomings of the vehicle in question.
- 2) Saturn Corporation’s culture, image and customer service will be identified in the research, however, the effectiveness of the Saturn selling process will be excluded.

- 3) The customer's perception of the retail facility is a factor adding to the sales consultant's first impression but will not be captured in this research.

Assumptions

- 1) That surveyed customers are first-time customers to the retail facility and have never shopped at the retail facility before.
- 2) That a customer has predetermined expectations and impressions of the Saturn organization, of which the researcher is unaware.
- 3) That there are many variables to the equation of a customer deciding to purchase a vehicle. This researcher assumes that first impressions of the sales consultant are one of those factors and is a crucial part of the customer's overall purchasing decision.

Definition of Terms

First Impression – In this study, a first impression is being defined as the first time a customer meets a sales consultant and begins an interpersonal interaction.

Impression management – “The conscious or unconscious attempt to control ones images or perceptions that are real or imagined in social interactions” (Schlenker, 1980; Fisk, 1996)

Guest – In business, people who purchase a product or service are considered a customer. Bergstrom Automotive, along with Saturn Corporation has created a corporate culture based on customer service; therefore, instead of referring to people who purchase as customers, Bergstrom and Saturn call them “guests.”

Retail Facility – Traditionally, a store that sells automotive vehicles is called a dealership. In an attempt at avoiding the stigma Bergstrom Automotive and Saturn Corporation are instead referring to their businesses as automotive retail facilities. This verbiage is indicative of Bergstrom and Saturn and is an attempt to avoid the perception of the automotive industry.

Team Members – A team member is also known as an employee, subordinate, or associate in other business settings. Bergstrom Automotive and Saturn are creating an interdependent work environment by changing traditional verbiage.

CHAPTER II

REVIEW OF LITERATURE

Chapter II – Review of Literature

Introduction

A first impression is formed when a customer meets the sales consultant for the first time (Albright, 1988; DeCormier, 1998; Evans, 2000; Jones, 1990; Snyder, 1978). Automotive retailers and sales consultants need to understand that first impression formation determines what motivates or de-motivates the customers purchasing decision (Bearse, 2001; Henthorne, 1992). With an understanding of impression formation, automotive retailers can better comprehend customer motivation factors, which could ultimately result in increased sales. This literature review will include three primary topic areas: Saturn Corporation, first impressions, and buyer/seller relationships. Saturn's organizational and cultural environment will be explored building a foundation for first impressions and buyer/seller discussions.

Review of Research Literature

Saturn Corporation is a division of the General Motors Corporation. General Motors' primary reason for creating Saturn was to compete with the increasingly aggressive Asian markets. Saturn Corporation focuses on re-creating the roles of producers and consumers, and creates products that tap into a sense of community and affiliation (Mills, 2001). In addition, "Saturn advertisements create a grand narrative, weaving a tale that makes the existence of a single, family-like symbolic community between the Saturn Corporation and the consumers of its product seem real to those intimately involved in acting out the story" (Mills, 2001). Saturn has created a culture

and brand image that consumers want and feel a need to be a part of. It is important to understand Saturn's culture to establish a foundation upon which to discuss first impressions within the automotive retail facility.

For the third consecutive year, Saturn has ranked highest in the J.D. Power and Associates Sales Satisfaction Index Study, which is an annual examination of the new vehicle purchase experience and customer satisfaction regarding the sales process (J.D. Powers and Associates, 2002). More importantly, for the first time in fifteen years, Saturn, a non-luxury brand, ranked highest in the J.D. Power and Associates Customer Service Index Study. The old automotive paradigm expounds that a customer receives better customer service with a higher priced automobile. However, J. D. Powers' research, have shown that high-priced automobiles do not always equal excellent customer service. In fact, Saturn's careful attention to customer service has put them at the top of the automotive industry in service. J.D. Powers and Associates is a highly reputable customer satisfaction researcher in the automotive business, who publishes research data with which automotive manufactures can compare themselves. Saturn has continually placed in the top rankings of the Customer Service Index Study since the early 1990s. J.D. Powers attributes Saturn's success to the skillful treatment of service customers, easy appointment scheduling, friendly service personnel, and a strong emphasis on the importance of the customer's time. Saturn Corporation's overall focus is to create a customer concentric culture. Saturn, as defined by its advertising campaign, is "a different kind of car, a different kind of car company" "The Saturn image has established itself as unique steeped in the folksy, hometown-style of advertisements" (Mills, 2001, p. 131). Mills believes that Saturn correlates its products with images of

back-to-life, down-to-earth sensibility, and nostalgic images of extended community ties common to small towns. Saturn has created an image that has influenced many customers to be a part of the Saturn family. This hometown, down to earth image Saturn has created correlates into the customers' expectations when he/she first meets the sales consultant. The customer expects the sales consultant to be sensible, down-to-earth, polite, logical, and present a "No Hassle, No Hagggle" sales process. Therefore, customers that come into a Saturn facility for the first time carry expectations based on the corporate image and values. Further more, these expectations have been established by the word-of-mouth, advertising and pre-conceived notions of what the Saturn car buying experience should be. This research intends to discover what a customer is actually experiencing within the first impressions context of the sales process. Saturn's organizational culture and brand image is definitely a factor in the impression formation. However, it is the assumption that the sales consultant is truly the catalyst which creates the customer's experience and first impression.

First or initial impressions of others have been proven to affect interpersonal relationships and encounters (Albright, 1988; DeCormier, 1998; Evans, 2000; Jones, 1990; Snyder, 1978). When someone perceives a person he/she rapidly and automatically draw conclusions about that person based on appearance (Jones, 1990). With an understanding of this evaluation, researchers in the social psychology field have termed impressions based on perception zero-acquaintance. Zero-acquaintance rating is when two subjects that have never meet before make judgments about each other based on superficial interactions, and audio-visual perceptions (Ambady, 1995). While first impressions can be created in zero-acquaintance situations, a true first impression is

created when you shake a person's hand, introduce yourself, and begin a conversation. This research will investigate how a first impression is formulated between a new Saturn customer and a sales consultant in the retail facility.

Within the first few seconds of a customer meeting a sales consultant he/she has assessed and drawn either positive or negative conclusions about that consultant (Jones, 1990; Michael, 1995). That assessment is based on clues such as clothing, grooming, demeanor, and body language which portray a consultant's trustworthiness, credibility, effectiveness, cleanliness, and attention to detail (Michael, 1995). These clues help customers evaluate a sales consultant and determine whether business should be conducted in this environment. This research will focus on the customer's impression of the sales consultant and will be tied into the purchasing decision.

Building and framing a positive impression is crucial for the sales consultant within the buyer/seller relationship. Michael (1995) found that:

Thus in the eyes of the customer, your personal appearance and the service you provide represent the image the client has of the company. How you dress and present you self can affect your effectiveness, your profitability and, therefore, your career, and the company's success. (p. 4)

In 2000, Evans, Kleine, Landry, and Crosby completed a study of how a sales consultant's first impressions of a customer impacts effectiveness in an initial sales encounter. The research methodology consisted of a salesperson and a consumer playing roles as buyer and seller in a simulated sales setting (Evans, 2000). While the results showed that the consumer/seller couples found the simulations to be realistic. It is the

purpose of this research to capture real-life, first hand impressions by conducting surveys at the retail facility immediately after the buyer/seller interaction.

Let us now apply first impressions to a customer/sales consultant or buyer/seller dyad. In the initial sales encounter, a customer's first impressions of a sales consultant provide the beginning of the buyer/seller relationship. This initial perception can dramatically impact the nature, character, and direction of the buyer/seller dyad. Given the significance of this perception, it is imperative that sales consultants incorporate this knowledge into the sales process (Henthorne, 1992). In addition, being cognizant of the customer's perception can determine levels of sales performance and make a difference in the structure and format of the presentation itself. Effective sales consultants will change their structure and presentation to best suit the customer. King and Booze (1986) do not guarantee that a favorable first impression will ensure a sale, but usage of "impression management techniques" adds one more attribute to the salesperson's selling effort. It is critical to understand the first impression of the customer since first impression management techniques can lead to an increase in sales effectiveness. This research will examine customers' first impressions of a sales consultant and identify whether a particular impression is more effective than another. By gaining this knowledge, sales consultants will be more sensitive to this potential impression power and use it to their advantage (Henthorne, 1992).

Impression management techniques are made up of several components. The primary components are grouped into the "greeting process." This process consists of three forms of communication: eye contact, a handshake, and appearance (DeCormier, 1998; King, 1986). Bergstrom Automotives Brand Building Basics and Behaviors (2003)

discusses the importance of a greeting that includes a handshake, eye contact, and a professional appearance. A second aspect of the greeting process is the sales consultant's body signals, which include gestures, posture, expressions, and movements. The sales consultant can adjust and adapt these signals relative to the personality type of customer. Based on this portion of the greeting, sales consultants need to know how to read customer's behavior and how to manage their own signals to gain a positive impression (Henthorne, 1992; King, 1986). A third component of impression management is establishing trust or respect. Customers need to trust sales consultants in order to do business with him/her, because it reduces the customers' perceived risk and stress. One form of establishing trust is making and keeping promises (DeCormier, 1998). According to Bergstrom's Behaviors published in 2003, trust and or respect are established by treating the customer fairly, courteously, and respectfully in addition to always listening with concern.

Summary of Literature Review

This literature review included three primary topic areas: Saturn Corporation, first impressions, and buyer/seller relationships. The literature has shown that first impressions are formed by several communication components. These components combined create an impression or perception of the sales consultant. This perception may be positive or negative and may affect the customer/consultant relationship accordingly.

Saturn Corporation has created a brand image that is all inclusive, in which customers want to be a part of the Saturn family. Saturn has revolutionized the automotive retail environment with their constant attention to the customer's needs and

expectations. It is important to understand Saturn's organization and cultural environment in order to move forward and analyze the results. Furthermore, it is important for automotive retailers and sales consultants understand that first impression formation determines what motivates or de-motivates the customer's purchasing decision (Bears, 2001; Henthorne, 1992). With an understanding of first impression formation, automotive retailers can better comprehend customer motivational factors, resulting in excellent customer service leading to increased sales.

CHAPTER III

METHODOLOGY

Chapter III – Methodology

Introduction

The literature review has created a foundation upon which to base further research regarding impression formation. First impressions are a critical aspect to the selling process and it is important for sales consultants and sales managers to understand a customer's first impression. This research is intended to discover a customer's first impression and determine whether that impression has an impact on the overall purchasing decision. The following chapter will outline the research objectives, research design, selection of subjects, and instrumentation.

Research Objectives

- 1) Determine what kind of first impression put forth by the sales consultant makes a customer more likely to purchase and least likely to purchase
- 2) Through analysis of the participant observation data, determine what the sales consultants is doing to create a first impression and what impression formation techniques are being used.
- 3) Identify common or costly flaws in the greeting process and develop solutions for sales consultants to create customer motivation to purchase.

Sample

The sample includes 39 first-time customer impressions collected on the 13th, 14th, and 15th of November and the 17th through the 20th of December, 2003. During research collection only one customer approached declined to participate in the study. The researcher observed and collected data for seven days for a total of 61 research

hours. The sample population is entirely constructed of first-time customers visiting the Saturn of Appleton automotive retail facility.

Research Design

The research will be conducted at the Saturn of Appleton automotive retail facility. The researcher will be observing on the show room floor and gathering participant observation data while waiting for sales consultants to finish with their first-time customers. Through communication with the receptionist and the sales consultants, the researcher will determine if the customer is a first-time buyer or not. As mentioned in chapter one, customers who have visited the retail facility previously will not be included in the research or be surveyed due to their bias of a pre-established first impression. Immediately after the sales consultant/customer interaction is completed, the researcher will approach the customer and ask permission to complete the survey.

The researcher will coordinate with approximately fifteen sales consultants to gather first-time customer's impressions. In order to protect the confidentiality of the sales consultants, each will be randomly assigned a three-digit number. The researcher will be the only person with access to the customer surveys and the results will also be coded in the pre-assigned three-digit number to protect the anonymity of the sales consultant. When the researcher returns to confirm if the customer purchased or not, the researcher will receive permission to access the customer information database.

Protecting the confidentiality of the customer is of importance. Once the customer has filled out the survey, it will be placed in the researcher's possession and no sales consultant will be allowed to review the customer surveys. Customer names are a

necessity on the surveys in order to track a potential future purchase, however, customer names will not be used in the results.

Typically, a customer enters the retail facility and purchases a vehicle within the following five business days after initial contact. This researcher will delay confirming a purchase for two weeks after the final survey was administered. Waiting two weeks to confirm a purchase or not will ensure that the research is capturing the customer's decision.

Instrumentation

Two instruments will be employed for data collection in this research. The primary instrument is a first impressions survey administered to first time customers. Once the customer has stated that he/she are there for the first time and are willing to participate, the survey will be presented. The secondary instrument will employ participant observation and examine impression formation characteristics. The researcher will observe customer/sales consultant interactions based on impression characteristics established in theory (Appendix B).

Origin of Instrumentation

LaTour, Henthorne, and Williams (1989, 1992) are three of the leading researchers in the area of initial impressions. Both in 1989 and in 1992 their studies were oriented toward initial impressions in the retail environment and in the buyer-seller dyad regarding sales management. The same research methodology was used for both research topics. The research methodology used by LaTour, Henthorne, and Williams was referenced from Wilding and Bauer (1968). The research tool suggests that there are

two primary sources of communication; social compliance and risk reduction. The two primary sources are then comprised of four components which are competence, trust, power, and likeability. The tool was developed to examine consumer reactions to a communication source (sales consultant) given a purchasing decision. For example, as the level of perceived risk increases in a purchase situation, the influences of risk reduction of communication were found to increase. Conversely, as the level of perceived risk associated with the purchase situation decreased, the relative influences of the social compliance of the communication source were found to increase (Wilding, 1968). The instrument incorporates sixteen descriptive adjectives with four source components: competence and trust which deal with risk reduction and power and liability which pertain to social compliance (Henthorne, 1992; LaTour, 1989). The scale for the sixteen adjectives ranges from “extremely,” worth five points to “not at all,” worth one point. Thus, the maximum numerical score for each of the four source components is twenty and the total possible score for the questionnaire ranged from 16 to 80 (Wilding, 1968). See Appendix A for a copy of the “First Impressions Survey Instrument.”

Henthorne, LaTour, and Williams used this research methodology in two initial impressions studies in 1992 and 1989. This researcher will continue with precedent set in theory and past research by using the same instrument created by Wilding in 1968 and employed by Henthorne in 1992 and LaTour in 1989. The same research techniques will be used by Wilding, Henthorne, and LaTour to create validity, reliability, and consistency regarding initial impression research. However, this researcher wants to explore deeper into impression formation techniques and will achieve this through participant observation.

The researcher will base the participant observation criteria off of two key previous researchers. First, criteria will be established off sales training and impression management techniques written by King and Booze in 1986. The second referenced material for the observation was DeCormier and Jackson's research about the anatomy of a good sales introduction (DeCormier, 1998). In addition to King, Booze, and DeCormier, Bergstrom Behaviors published in 2003, is also considered a source for the participant observation criteria. The participation observation criteria are thus a culmination of criteria and impression management techniques from King and Booze, 1986, DeCormier, 1998 and Bergstrom Behaviors, 2003.

CHAPTER IV

DATA ANALYSIS & RESULTS

Chapter IV – Data Analysis & Results

Introduction

As stated in Chapter III, this research employs a survey and participant observation to determine whether a customer's impression effects sales effectiveness. The following chapter will display the statistical analysis of the first impressions survey followed by a discussion of the survey results. Directly following the survey is an analysis of the participant observation results and a brief discussion. This chapter is aimed at presenting the data in a factual manner followed by a theoretical discussion.

First Impression Survey Results

Competence, trust, and likeability received the highest scores with minimal variance between the three components. The power component, which is divided into four adjectives includes: prominent, authoritative, powerful and reputable, received the lowest mean. This would indicate that the surveyed population found the sales consultants to be overly powerful

Table 1

Statistical mean of source component

Competence	4.54
Trust	4.46
Power	4.16
Likeability	4.50

The means of the 16 adjectives used to determine the customer's first impression of the sales consultant were calculated in table 2. All adjectives are scored relatively high, averaging above 3.0. However, three adjectives are below 4.0: attractive (3.79), authoritative (3.85), and powerful (3.44). The adjective prominent averaged at exactly at 4.0. The adjectives authoritative, prominent, and powerful are all adjectives grouped under the power component, which were calculated with the lowest averages in Table 2. These lower means can be correlated to Table 1 with the source component, power. The lower averages can be attributed to the customer's impression of the sales consultant, which were found to be of minimal power and authority. The descriptor, attractive, was grouped under the likeability source component. A lower average regarding attractive could be accounted for with gender issues, or the questioning of what attractive has to do within a business setting.

Table 2

Statistical means of components

Components	Mean
Knowledgeable	4.54
Attractive	3.79
Prominent	4.00
Dependable	4.36
Respectable	4.67
Friendly	4.82
Trustworthy	4.36
Competent	4.56
Authoritative	3.85
Reliable	4.46
Qualified	4.64
Understanding	4.67
Reputable	4.36
Experienced	4.44
Powerful	3.44
Likeable	4.72

Of the 39 first-time customers surveyed, 22 or 56.4% of those customers purchased, and 17 or 43.6% of those customers did not purchase vehicles. Therefore, it can be concluded in this sample population that over half of the first-time customers purchased vehicles.

Table 3 examines group statistics of the sources components. The table compares the responses from the two customer groups, which are customers who purchase versus those who did not. Of the customers who purchased a vehicle, the mean scores of fifteen components were rated higher than that of the customer who did not purchase. The only component in which the non purchasing response was higher was in the authoritative adjective. Therefore, customers who purchased did not find the sales consultant to be authoritative and customers who did not purchase found the consultant to be more authoritative. In general, Table 3 exemplifies that all customers surveyed ranked the consultants relatively high across all sixteen components.

Further statistical analysis was completed to determine levels of significance regarding customers who purchased and those who did not, which include t-tests for equality of means and Pearson's Correlation Coefficient. The t-test results showed that there was a significance of variance for three descriptive adjectives and one primary source component. The adjectives included friendly, reputable, likable, and the source component, likeability. Friendly and likeable are two of the four source components of, likeability. The significance surrounding friendly and likable caused the source component, likeability to be significant and stand out with relation to customers who purchased. The third adjective of significance was reputable, which was not related to the source component likeability, but rather to the component of power. Therefore, based

on the statistical data it can be concluded that a friendly, reputable, likable sales consultant is more likely to motivate his/her first time customer to purchase a vehicle.

Table 3
Group Statistics of
Source Components

Component	Bought Vehicle	N	Mean	Std. Deviation
Knowledgeable	Yes	22	4.59	.590
	No	17	4.47	.624
Attractive	Yes	22	4.00	.816
	No	17	3.53	1.068
Prominent	Yes	22	4.09	.811
	No	17	3.88	.928
Dependable	Yes	22	4.41	.734
	No	17	4.29	.588
Respectable	Yes	22	4.77	.528
	No	17	4.53	.624
Friendly	Yes	22	4.95	.213
	No	17	4.65	.606
Trustworthy	Yes	22	4.41	.666
	No	17	4.29	.686
Competent	Yes	22	4.64	.581
	No	17	4.47	.624
Authoritative	Yes	22	3.77	1.193
	No	17	3.94	1.197
Reliable	Yes	22	4.50	.740
	No	17	4.41	.618
Qualified	Yes	22	4.73	.456
	No	17	4.53	.624
Understanding	Yes	22	4.73	.550
	No	17	4.59	.712
Reputable	Yes	22	4.68	.138
	No	17	3.94	.250
Experienced	Yes	22	4.50	.171
	No	17	4.35	.209
Powerful	Yes	22	3.45	.235
	No	17	3.41	.228
Likeable	Yes	22	4.91	.063
	No	17	4.47	.151

Pearson's Correlation Coefficient was also employed to analyze the correlation between the four source components: competence, trust, power, and likeability. It can be concluded that all components are significant at .001 level.

First Impressions Survey Discussion

Statistical analysis of first impression surveys has revealed that overall, customers felt extremely positive about their first impression with the sales consultant. 22 out of 39 customers surveyed, decided to purchase a vehicle, equaling 56%. This percentage seems higher than expected; therefore a few issues have been explored to account for this.

The analysis shows that first time customers are more likely to purchase a vehicle if they perceive the sales consultant to be friendly, reputable, and likeable. This friendly, likeable, nature could be directly related to the type of sales consultants Saturn and Bergstrom recruits and employs. The perception of likeability can also be correlated to Saturn's corporate culture of family and community values. In addition Bergstrom Automotives culture also works toward training sales consultants who portray a family-like business environment by using a "soft selling process." This soft-selling approach is created with Saturn's one pricing system and "No Hassle, No Hagggle". Soft-selling concepts are further discussed under the participant observation discussion.

The analysis has also identified certain adjectives or descriptors that are less likely to motivate a customer, which include (Table 2) attractive, prominent, authoritative, and powerful. Prominent, authoritative, and powerful are grouped under the source component, power. Therefore, the customers in this study were less likely to purchase

from a sales consultant with a powerful, distinguished, authoritative personality and more likely to purchase with a friendly, reputable, and likeable personality.

It should be noted that these results are relative to Bergstroms, Saturn of Appleton retail facility and are not generalizable across the automotive industry.

Participant Observation Results

Table 4

Participant observation results

-
1. Did the guest and consultant shake hands?
86.67% Of consultants shook hands
13.33% Of consultants did not shake hands
 2. Did the guest and consultant have constant eye contact?
100% Of sales consultants gave constant eye contact
 3. Was team member wearing name tag and proper Bergstrom attire?
100% Of all team members were wearing nametags and attire
 4. Did the consultant offer refreshments or other facilities?
66.67% Offered refreshments or other facilities
33.33% Did not offer refreshments or other facilities
 5. If guest had children, did consultant greet children?
3 Families were observed and 100% of the children were greeted by consultant
 6. Did the guest and consultant face each other when talking?
100% Faced customer when talking
Additional Observation
Buyer/Seller Sitting at table?
53.33 Sat at a table
46.67 Did not sit at a table
 7. Was the consultant's body language open or closed postures?
80.00% Open posture
20.00% Closed posture
 8. Did the consultant visually put the guest at ease?
73.33 Visually put the guest at ease
26.67 Did not visually put the guest at ease
 9. Approximately how far apart were the guest and employee standing?
73.33% 2-3 Feet apart
26.67 3-4 Feet apart
 10. Did consultant seemed genuinely interested in meeting the guest's needs?
93.33% Seemed genuinely interested in meeting the guests needs
6.67% Did not seem genuinely interested in meeting the guests needs
-

Participant Observation Discussion

It was the intention of this research to discover what effect a first impression had on the overall effectiveness of a sales consultant's relationship with a customer related to the actual purchase. This theory was tested using two different data gathering techniques. Participant observation was employed to gain in depth data about the customers and sales consultant's first meeting and impression process.

The participant observation criteria, aforementioned in chapter two, focused on the impression formation techniques established by King and Booze in 1986, the elements of a good sales introduction established by DeCormier in 1998, and Bergstrom Behaviors published in 2003. The term "guest" will be used instead of customer when discussing and relating to Bergstrom's and Saturn's processes and cultural observations.

Observation data was collected in the retail facility once the customer was identified as a first-time customer. Several conclusions about the sales process, the consultants, and Saturn, and Bergstrom can be derived from the observation data. First, DeCormier (1998) and King (1886) established that a handshake, eye contact, and a professional appearance are all part of a good sales introduction. The observation data shows that the sales consultants were following these criteria: 86% percent of sales consultants shook hands, 100% established constant eye contact, and 100% of the team members were wearing a name tag and proper professional Bergstrom attire.

The second conclusions it that a sales consultant portrays signals based on gestures, posture, expression, and appearance according to King (1986). The observation results demonstrate that 80% of sales consultants stood with an open body posture, 100% of the consultants faced the guest when talking, and 73% of sales consultants visually put

the guest at ease. In addition, to an open body posture and visually putting the guest at ease the observation discovered that 53% of sales consultants sat down with the guest at a round table.

A third conclusion can be drawn regarding establishing trust, and or respect with the guest. A sales consultant needs to establish trust in order to do business with the guest, thus reducing the guest's perceived level of risk and stress (DeCormier, 1998; Bergstrom Automotive, 2003). The observation data shows that 93% of sales consultants seemed genuinely interested in meeting the guest's needs. In addition to putting the guest at ease, the sales consultants took initiatives to making the guest feel comfortable by escorting them to a round table. It was observed that when the guest and sales consultant were interacting, 73% of the time they were two to three feet apart and 26% of the time they were three to four feet apart. This data suggests that when sitting, the sales consultant and guest are physically closer to one another. The author would also theorize that the guest is more comfortable and feels less stressed sitting down. Therefore, with the perceived level of risk and stress decreased, the sales consultant is able to establish respect and trust.

It was observed that the sales consultants visually put the guest at ease 93% of the time. Several sales consultants started the conversation with "What do you want to accomplish today?," or "What kind of car do you have in mind?" Immediately addressing the needs, wants, and desires of the guest seemed to put the guests at ease and drive the conversation in the direction the guest desired. Allowing the guest to speak, "leveled the playing field," creating trust and respect.

In 2001, Mills found that Saturn was creating a family-like atmosphere between the Saturn team members and the guests. In addition to Saturn's establishment of culture, Bergstrom Automotive, (2003) through their vision statement is committed to treating everyone like family. The observation data demonstrates that this value of creating a family-like atmosphere is being created. For example, 66% of sales consultants offered the guest refreshments or other facilities, 100% of the sales consultants greeted the children when applicable and 53% of sales consultants sat down with the guest at a round table to discuss their needs. Saturn and Bergstrom are clearly creating a family-like, business atmosphere where "shopping customers" or "visiting guests" feel comfortable and safe while looking for a vehicle.

A relative travels to another relative's home and the relative is welcomed with a greeting. The welcome could include a physical gesture of some type (handshake/hug), refreshments or an invitation to come in and sit down. Similar to a family member visiting, Bergstrom and Saturn of Appleton treat their guests in almost the same manner. Saturn sales consultants welcome the guest to the facility, introduce themselves, offer refreshments, and invite the guest to sit down. Saturn and Bergstrom has taken everyday family values and implemented them into their sales process, which in turn creates a great first impression, excellent customer service, and increased sales.

Research Limitations

- 1) The reader should be made aware that the researcher did not gather 100% of the first time customers that entered the retail facility on those 7 days.

Reasons include customers being in a hurry, sales consultants forgetting, and sales consultants' bias.

- 2) The reader should know that, the researcher has worked for Bergstrom Automotive Incorporated for 8 years and specifically worked for Bergstroms Saturn of Appleton where the data was collected.
- 3) It should also be known that Saturn of Appleton is one of the most successful Saturn retail facilities in the nation. Therefore, the researcher expected the data to be correlated and prove the problem statement true. Saturn of Appleton has won the Summit Award in 2000 and 2002, which is highest award given by Saturn Corporation. Saturn of Appleton is in the running for a 3rd Summit Award in 2003. In addition, Saturn of Appleton is consistently in the top five highest volume of selling new cars in the nation.
- 4) The reader should also be aware that Bergstorm Automotive is a privately owned organization based in Neenah, Wisconsin. Bergstrom Automotive is the largest automotive retailer in the state of Wisconsin and one of the top ten largest automotive retailers in the nation. In 2002, Bergstrom Automotive won the Time Dealer of the Year Award, presented by TIME magazine.
- 5) The purpose of this research was not to prove that a positive impression automatically results in a sale, but rather to identify components that make a customer more likely or motivated to purchase.
- 6) Since the sample population consisted of 39 customers surveyed from one automotive retail facility this data can not be generalizable to the automotive industry.

CHAPTER V

CONCLUSION

Chapter V - Conclusion

Overview

The initiative of this study was to collect customers' first impressions of the sales consultants in a Saturn retail facility. This research was based on the concept that a customer's first impressions greatly impact the effectiveness of the initial sales encounter and the overall decision to purchase (Albright, 1988; DeCormier, 1998; Evans, 2000; Jones, 1990; Snyder, 1978). Business professionals, automotive retailers, and sales consultants need to understand the impact of a first impression and how it motivates or de-motivates the customer's purchasing decision (Bearse, 2001; Henthorne, 1992). The literature review established Saturn as an organization concerned about customer service and about creating a family based retail environment that wanted to be a part. The review then examined first impressions and what type of impact they have on a buyer/seller relationship. The review was concluded by discussing the elements of a good first impression and impression formation techniques.

Chapter III discussed the methodology employed in collecting a customer's first impression. The first impression survey was derived from past impressions research and implemented to create validity and consistency. Participation observation was also conducted to gather in-depth data about the consultant/customer interaction. The observation criterion was assimilated from Bergstrom and Saturn's greeting process and elements of a positive impression. Chapter IV displayed the statistical findings and participant observation data, which was accompanied by a discussion of the results.

Conclusions

This research has demonstrated that a customer's first impression impacts sales effectiveness in an automotive retail facility with correlation to the purchasing decision. The findings from the statistical analysis demonstrate that a customer is more likely to purchase a vehicle from a likeable, friendly, reputable consultant and less likely to purchase from an authoritative, attractive, prominent, powerful consultant. Therefore, a sales consultant's impression is directly related to the customer's decision to purchase, proving the proposed hypothesis true. The participant observation data demonstrates that consultants are addressing the guests' needs and wants and are treating them like family. With this combination of qualitative and quantitative data, sales consultants and business professionals can greet first-time customers with more knowledge and wisdom regarding customers' motivational factors. This understanding and use of knowledge will lead to improved customer service, development of sales consultants selling competencies, and higher volume vehicle sales.

Recommendations for Implementation

An application for this research would be to create a first impressions training for individuals in a sales career. Sales managers and sales consultants are constantly looking for a new way to approach their customers and this researcher believes that a first impression is it. If sales consultants understand the impression that they are communicating, they can adapt and change that impression relative to the customer. In addition to sales staff, any team member that has contact with the guest should be cognizant of how they represent the business and how they are perceived. Management

needs to inform each team member about the importance of first impressions and how they relate to customer service and loyalty.

Another more extreme application would be to have a “first impressions coordinator” or receptionist, generate an impression of the first-time customer. The coordinator would be knowledgeable about first impressions and would quickly analyze the customer. Based on that impression the most appropriate sales consultant with a matching personality and values would be paired with that customer. In theory, the sales consultant and customer would develop an interpersonal relationship faster due to this match, thus customers would be more likely to purchase the product or service.

It has been said that, “you can’t judge a book by its cover,” but this research has shown that a customer not only can but also does make a decision about the sales consultant’s competence, likeability, power, and trustfulness during the very first meeting. Customers are able to make snap judgments about consultants based on a handshake, eye contact, and personal appearance. Therefore, being cognizant of what impression is being created can be very useful. This awareness can be used for couples going on a first date, a financial planner making a house call, or a realtor meeting a couple for the first time. In addition to human interactions, this research can be applied to the first impressions of launching a new advertising campaign, the packaging of a new product, or the marketing a brand new product. This research is applicable in any business setting where customers interact with team members or any business environment where management is determined to create excellent customer service.

Research Recommendations

- 1) If further research is conducted in a similar format and environment, allow me to suggest a plan of action.
 - a. Strive towards 100% percent of first time customers to be surveyed.
 - a. Make the sales consultant thoroughly aware that this survey will not affect his/her pay or status.
 - b. Gather or collect more first-time customer surveys to ensure valid and reliable data.
 - c. Collect data during higher customer traffic months which are June, July, and August for better statistical results.
 - d. As a researcher it is important to be cognizant of the buyer/seller relationship, yet make sure to be authoritative and gather the data required.
 - e. Make sure the general and sales manager agree with the research objectives, but more importantly ensure the sales consultants are willing to participate.
- 2) If possible, have more than one researcher collecting first impressions at the retail facility and also more researchers collecting participant observation data. This would ensure that the participant observation was valid and no bias present.
- 3) Recreate this study in a non-Saturn retail facility and compare the results to this study's results.
- 4) Recreate this study in an organizational environment that does not focus on soft selling, customer service, or first impressions.

- 5) Perform identical research in a low risk, smaller retail environment and compare the data.
- 6) Have sales consultants rate their perception of their first impression and then compare that to the customer's first impression identifying the variances.

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Appendix A

First Impressions Survey

Customer Name: _____

SC#: _____

I understand that by completing this survey, I am giving my informed consent as a participating volunteer in this study. I understand the basic nature of the study and agree that any potential risks are exceedingly small. I also understand the potential benefits that might be realized from the successful completion of this study. I am aware that the information is being sought in a specific manner so that only minimal identifiers are necessary and so that confidentiality is guaranteed. I realize that I have the right to refuse to participate and that my right to withdraw from participation at any time during the study will be respected with no prejudice.

Please indicate your first impressions about the sales consultant by checking one of the spaces assigned to each word - for example:

<i>Example only</i>	Extremely	Very	Quite	Only Slightly	Not at all
Skilled	_____	_____	_____	<u> X </u>	_____

An X in the position above indicates you felt that the sales consultant was "only slightly skilled."

	Extremely	Very	Quite	Only Slightly	Not at all
1. Knowledgeable	-	-	-	-	-
2. Attractive	-	-	-	-	-
3. Prominent	-	-	-	-	-
4. Dependable	-	-	-	-	-
5. Respectable	-	-	-	-	-
6. Friendly	-	-	-	-	-
7. Trustworthy	-	-	-	-	-
8. Competent	-	-	-	-	-
9. Authoritative	-	-	-	-	-
10. Reliable	-	-	-	-	-
11. Qualified	-	-	-	-	-
12. Understanding	-	-	-	-	-
13. Reputable	-	-	-	-	-
14. Experienced	-	-	-	-	-
15. Powerful	-	-	-	-	-
16. Likable	-	-	-	-	-

Appendix B

IMPRESSION FORMATION TECHNIQUES AND ELEMENTS OF ANATOMY OF A GOOD SALES INTRODUCTION PARTICIPANT OBSERVATION

Did the guest and consultant shake hands?

Did the guest and consultant have constant eye contact?

Was team member wearing name tag and proper Bergstrom attire?

Did the consultant offer refreshments or other facilities?

If guest had children, did consultant greet children?

Did the guest and consultant face each other when talking?

Was the consultant's body language open or closed postures?

Did the consultant visually put the guest at ease?

Approximately how far apart were the guest and employee standing?

Did consultant seem genuinely interested in meeting the guest's needs?